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**Macroeconomic policy questions: international financial system and development**

## Letter dated 5 June 2012 from the Permanent Representative of Singapore to the United Nations addressed to the Secretary-General

I have the honour to transmit to you on behalf of the informal Global Governance Group (3G), comprising the following States Members of the United Nations: Bahamas, Bahrain, Barbados, Botswana, Brunei Darussalam, Chile, Costa Rica, Finland, Guatemala, Jamaica, Kuwait, Liechtenstein, Luxembourg, Malaysia, Monaco, Montenegro, New Zealand, Panama, Peru, the Philippines, Qatar, Rwanda, San Marino, Senegal, Singapore, Slovenia, Switzerland, the United Arab Emirates, Uruguay and Viet Nam, the following documents (see annex):

(a) Fostering a coherent global governance framework: constructive engagement between the United Nations and the Group of 20;

(b) Global Governance Group input to the Group of 20 on the promotion of sustainable development, green growth and the fight against climate change.

On behalf of the 3G, I should be grateful if you would have the present letter and its annex circulated as a document of the General Assembly, under agenda item 17 (b).

(*Signed*) Albert **Chua**
Ambassador
Permanent Representative

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## Annex to the letter dated 5 June 2012 from the Permanent Representative of Singapore to the United Nations addressed to the Secretary-General

## Fostering a coherent global governance framework: constructive engagement between the United Nations and the Group of 20

The Global Governance Group (3G) recognizes that global challenges need to be addressed through an improved and strengthened system of global governance. The international community should find effective solutions to global problems through a comprehensive, inclusive and transparent global governance framework. In this regard, 3G stresses that the United Nations is the only global body with unquestioned legitimacy and reaffirms the central role of the United Nations in global governance and managing emerging global challenges. New international forums should play a complementary role in finding solutions to global problems.

It is important for the United Nations system to establish sound partnerships with stakeholders that can contribute to addressing specific international challenges. In this regard, 3G calls for the links between existing institutions to be strengthened to create a coherent global governance framework. The United Nations and other stakeholders have to work together to respond to international challenges, including by devising and implementing policies that are truly global in reach.

### Cameron report on global governance

The 3G welcomes the report by the Prime Minister of the United Kingdom of Great Britain and Northern Ireland, David Cameron, entitled "Governance for growth: building consensus for the future" and its recommendations, which were endorsed by the G-20 leaders during the Cannes Summit in 2011. The 3G is of the view that the G-20 should fully implement the recommendations in the report intended to "strengthen and systematize" engagement with the United Nations. In addition, the 3G has the comments on the Cameron report set out below.

The 3G welcomes the endorsement contained in the Cameron report of the 3G proposal to regularize the G-20 practice of briefings and consultations with the membership of the United Nations. The G-20 should continue to do so, while respecting the mandates of the United Nations and its agencies. The G-20 should also refrain from global standard-setting exercises that are best placed in a formal organization with universal membership, such as the United Nations. In addition, the 3G notes that there are many international institutions and informal groupings, including the G-20, dealing with transboundary issues such as the sovereign debt crisis, financial regulation and food security. To build broad support for producing coherent global solutions to these issues, the 3G emphasizes the importance of involving all relevant stakeholders and strengthening cooperative links between them. In this regard, the 3G welcomes the recommendation contained in the Cameron report that the G-20 should work with relevant international institutions to deepen global economic policy coordination. Actors such as the United Nations, the International Monetary Fund, the World Bank and the World Trade Organization have to be included in any global economic governance framework. The 3G calls on the G-20 to implement the commitments it has previously made, such as in the area of development and trade and investment.

The 3G has consistently advocated the principle of "variable geometry" as a means to enhance the inclusiveness and transparency of the work of the G-20. The Cameron report endorses this approach and recommends that the G-20 be more consistent and effective at engaging non-members in specific areas of its work. The 3G acknowledges that the G-20 is generally open to applying the principle of variable geometry. In this regard, the 3G welcomes the commitment of the Mexican G-20 presidency to strengthening constructive engagement between the G-20 and relevant actors. Mexico has convened the G-20 informal meetings of Foreign Ministers, "Think20" and "Business20", which were attended by non-G-20 member countries, academia and the private sector. The 3G encourages the strengthening of such outreach efforts and calls for a broader and more flexible application of the principle of variable geometry, in particular when the G-20 engages in specific thematic deliberations, such as those held under the different working groups on development and international financial architecture.

The 3G shares the finding of the Cameron report that global economic actors have a common interest in fighting corruption. Corrupt practices undermine achievements in the field of global governance and the rule of law and hamper economic and social developments. The 3G urges the G-20 to implement the recommendation contained in the Cameron report to build on existing instruments such as the United Nations Convention against Corruption to intensify the fight against corruption.

**Recommendations on enhancing engagement of the Group of 20 with the United Nations**

The 3G notes that the G-20 has acknowledged the complementarity between the work of the United Nations and the G-20. In this regard, G-20 outcomes must have the support of non-G-20 members if they are to be implemented globally and effectively. The G-20 should go beyond consultations with non-G-20 members and groupings such as 3G and find ways to incorporate their inputs into G-20 outcomes. This approach will also help to foster a coherent global governance framework. The 3G notes that the engagement between the United Nations and the G-20 has been intensifying and recommends that the G-20 further enhance its engagement with the United Nations through the following measures:

- Continuing the practice of cooperating closely with the Secretary-General of the United Nations, the United Nations G-20 Sherpa and other United Nations system representatives throughout G-20 processes, including summits and preparatory meetings.
- Continuing to regularize exchanges with the wider United Nations membership, in particular the General Assembly, through pre-summit consultations on the subject matter of the upcoming G-20 deliberations and post-summit debriefings.
- Appointing a senior official within the G-20 troika to oversee and ensure continuity of G-20 engagement with the wider United Nations membership and other stakeholders; this official could facilitate policy coherence between the G-20 and other bodies by promoting consideration by the G-20 of inputs from the United Nations and other groupings such as the 3G and giving feedback on their consideration.

- Disseminating studies carried out by international organizations for the G-20 to all Member States and discussing such studies with them.
- Continuing to reflect on and implement ways to strengthen engagement with the wider United Nations membership and other stakeholders.

## Global Governance Group input to the Group of 20 on the promotion of sustainable development, green growth and the fight against climate change

The Global Governance Group (3G) notes the five priority issues on the agenda for the Mexican G-20 presidency and wishes to comment on the promotion of sustainable development, green growth and the fight against climate change.

The 3G stresses the importance of an effective, open and transparent multilateral system, which ensures that the voices of all countries are heard. Recent experience at the Conference of the Parties to the United Nations Framework Convention on Climate Change and at the World Trade Organization (WTO) has shown that there is an urgent need for more political will to reinvigorate multilateralism; and that this will be critical to achieving outcomes that will benefit all countries.

Sustainable development is at the forefront of the international agenda this year with the United Nations Conference on Sustainable Development taking place in June. The Conference offers a unique opportunity to reaffirm our collective political will in relation to sustainable development. It should serve as a catalyst for the implementation of commitments, including Agenda 21 and the Plan of Implementation of the World Summit on Sustainable Development (Johannesburg Plan of Implementation), as well as those made at previous G-20 summits. In the past, the three dimensions of sustainable development — economic, social and environmental — have often been looked at in isolation. However, there is a growing consensus that an integrated approach is needed to tackle global challenges. The 3G is particularly conscious that climate change requires urgent and decisive action. The longer action on such challenges is postponed, the greater the potential negative economic, social and environmental consequences will be for States, both individually and collectively, and the more costly the required action. In that regard, there is an ongoing need to fulfil existing commitments in order to deliver tangible results on the ground, particularly for developing countries. The Millennium Development Goals have become a framework for successful and coordinated action and have generated important development gains. Efforts to achieve the Goals must continue as work begins on the post-2015 development framework. The 3G considers it essential that all countries are able to participate in that work. In this regard, we also recognize the contribution that a set of sustainable development goals can make towards the integration and implementation of the three dimensions of sustainable development.

Discussions on green growth (and on the green economy) have highlighted actions that could be relevant to achieving sustainable development. These are evolving concepts, some of which are concerned with possible negative impacts, such as arbitrary growth ceilings or new conditionalities. It is therefore important to acknowledge that there is no one model for all countries, but rather many different paths that vary according to the priorities and circumstances of particular countries. Furthermore, discussions on green growth should give appropriate consideration to sustainable consumption and production patterns. Ultimately, however, the promotion of green growth should have positive results for all countries, offering new opportunities and markets, creating jobs and improving the quality of life for millions of people.

The 3G recognizes the need to support developing countries in implementing policies and programmes relevant to sustainable development and enhancing their capacity to adapt to and mitigate climate change. A particular focus should be on promoting international cooperation that is able to adapt to the different needs and development priorities of countries, with the ultimate objective being the eradication of poverty. Innovation, technology and investment also play an important role in this context. Developing countries therefore need access to adequate technology and capacity-building. In this regard, we encourage new initiatives that may be sector-specific, such as the Global Research Alliance on Agricultural Greenhouse Gases, which bring together countries (both developed and developing) to find ways to adapt and mitigate the climate change challenges we face.

The 3G stresses the interrelationship between trade and sustainable development. Trade-led growth is an essential component of sustainable development and efforts to achieve it should also strengthen and increase trade flows at all levels. At the same time, it is important to guard against protectionism, particularly trade- and production-distorting measures that are not consistent with WTO rules. For example, in the agriculture context protectionist measures can affect production and threaten livelihoods in both food importing and exporting countries. Sustainable development and, in particular, green economy policies should not create new trade barriers or impose unwarranted conditionalities, but rather promote sustained, inclusive and equitable economic growth.

The 3G believes that a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under WTO is key to development. The successful conclusion of the WTO Doha Development Agenda is essential and long overdue. The 3G reiterates its call on the G-20 to renew political commitment and take urgent action to move the process forward, using fresh, credible approaches to furthering negotiations as promised at the Cannes Summit. Progress on the Doha Development Agenda will reinforce the role played by trade as an engine for growth and development. The provision of new opportunities to develop and enhance productivity would smooth the transition to a green economy.

The 3G notes previous G-20 commitments that relate to this priority and stresses the importance of implementation. We recall, in particular, that financing the fight against climate change is one of its main priorities and stress the need for urgent concrete and collective action. We welcome the implementation of the Green Climate Fund. We also welcome the G-20 commitment in 2009 to phase out over the medium term inefficient fossil fuel subsidies, while providing targeted support for the poorest, and we encourage early and ambitious implementation of this commitment. In order to promote greater transparency regarding the progress made and lessons learned in fulfilment of this commitment, we encourage the G-20 to establish a review process whereby the reform efforts of one or two members regarding fossil fuel subsidies are peer reviewed every 18 months. We also encourage a G-20 outreach activity to exchange experience of successful reforms. We welcome the plans of the Mexican G-20 presidency for a progress report on rationalization of fossil fuel and non-fossil fuel subsidies for the G-20 summit in Los Cabos, Mexico, in June 2012.